

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

D.T.E. 03-24

Verizon Massachusetts (“Verizon MA”) opposes the Attorney General’s Motion filed May 20, 2003, requesting leave to file supplemental comments on the 1999 independent audit of the Company’s directory assistance (“DA”) accounting process for funding Enhanced 911 (“E911”), relay services and the TDD/TTY equipment distribution program prior to January 1, 2003. That Motion not only misrepresents the facts, but also is an unwarranted attempt to transform the Department rulemaking into an investigation of issues well beyond the scope of the proceeding. Accordingly, the Department should deny the Attorney General’s Motion, and promptly issue rules governing the new funding mechanism for E911 and other services, in compliance with Chapter 6A, Section 18H of the Massachusetts General Laws.

(1) Verizon MA did not disclose the existence of the 1999 audit; and the Company's reliance on this audit to persuade

the Department not to investigate the Company's existing E911 deficit, until its May 9, 2003 reply comments; and (2) Verizon failed to disclose in its Reply the full extent of the audit and note its limited application.

Motion, at 1. These arguments are without merit.

First, contrary to the Attorney General's claims, this rulemaking is not an investigation of Verizon MA's pre-existing deficit for providing E911, relay services and TDD/TTY equipment or the 1999 independent audit of the Company's accounting process for its residence DA revenues and costs of providing those services. As stated in its March 13, 2003, Order, the Department instituted this rulemaking to promulgate rules governing the introduction of a surcharge to recover the expenses associated with providing E911 and other services, in accordance with Chapter 6A, Section 18H of the Massachusetts General Laws. Under that statute, the new surcharge would apply as the new E911 funding mechanism beginning January 1, 2003. Accordingly, this is *not* the proper forum for addressing Verizon MA's pre-existing E911 cost deficit, and there is no basis for expanding the scope of this proceeding, as the Attorney General erroneously suggests.

Second, the Attorney General's remark that Verizon MA should have disclosed the existence of the 1999 audit earlier in this proceeding is unfounded. Clearly, Verizon MA was not obligated to address the audit since it was not at issue in this rulemaking. In fact, Verizon MA only mentioned the 1999 audit in its May 9th reply comments because the Attorney General's initial comments suggest that the pre-existing deficit be examined and an audit conducted.

The Attorney General's "blame game" here is also inappropriate because, as a party to D.P.U./D.T.E. 91-68, the Attorney General had full knowledge of the audit and

its results.¹ The Department required at least one audit of the DA accounting process during the ten-year reconciliation period for funding E911 and other services. D.P.U./D.T.E. 91-68, *Order*, at 19. Verizon MA satisfied that requirement and demonstrated its full compliance with the Accounting Plan mandated by the Department in the audit report filed December 3, 1999. Verizon MA's Reply Comments, at 5. Likewise, the Attorney General was fully aware of Verizon MA's annual DA tracking reports, which the Company filed with the Department and provided to the Attorney General since 1991. Therefore, the Department should reject the Attorney General's request to file supplemental comments on these issues, which are not relevant to this proceeding.

CONCLUSION

The Motion provides no reasonable basis for allowing the Attorney General to supplement his comments in this proceeding. The level of the pre-existing deficit is not an issue in this rulemaking. Moreover, even if the pre-existing deficit were a legitimate issue here, Verizon MA's audit results and tracking reports verify that the Company has properly accounted for the DA revenues and expenses in compliance with the Department's directives. Accordingly, the Department should deny the Attorney General's Motion and approve, without further delay, the rules promulgated for establishing a new funding mechanism for E911, relay services and the TDD/TTY

¹ In particular, the Department notified the Attorney General when the audit was to be conducted and invited comments from the Attorney General and other interested parties regarding the best way to proceed with the audit. *See e.g.*, Department Notice dated November 14, 1996. The Department also informed the Attorney General when it selected the auditor from the competitive bidding process. *See* Department Letter dated August 27, 1998.

equipment program in accordance with Chapter 6A, Section 18H of the Massachusetts General Laws.

Respectfully submitted,

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